

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Accounting Act is amended by  
5 changing Sections 1, 4, 9, 9.01, 9.02, 13, 14, 14.3, and 30.2  
6 and by adding Section 5.2 as follows:

7 (225 ILCS 450/1) (from Ch. 111, par. 5501)

8 (Section scheduled to be repealed on January 1, 2014)

9 Sec. 1. No person shall hold himself or herself out to the  
10 public in this State in any manner by using the title  
11 "Certified Public Accountant" or use the abbreviation "C.P.A."  
12 or "CPA" or any words or letters to indicate that the person  
13 using the same is a certified public accountant, unless he or  
14 she has been issued a license or registration by the Department  
15 under this Act or is exercising the practice privilege afforded  
16 under Section 5.2 of this Act.

17 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 10-1-06.)

18 (225 ILCS 450/4) (from Ch. 111, par. 5505)

19 (Section scheduled to be repealed on January 1, 2014)

20 Sec. 4. Transitional language.

21 (a) The provisions of this Act shall not be construed to  
22 invalidate any certificates as certified public accountants

1 issued by the University under "An Act to regulate the  
2 profession of public accountants", approved May 15, 1903, as  
3 amended, or any certificates as Certified Public Accountants  
4 issued by the University or the Board under Section 4 of "An  
5 Act to regulate the practice of public accounting and to repeal  
6 certain acts therein named", approved July 22, 1943, as  
7 amended, which certificates shall be valid and in force as  
8 though issued under the provisions of this Act.

9 (b) Before July 1, 2010, persons who have received a  
10 Certified Public Accountant (CPA) Certificate issued by the  
11 Board of Examiners or holding similar certifications from other  
12 jurisdictions with equivalent educational requirements and  
13 examination standards may apply to the Department on forms  
14 supplied by the Department for and may be granted a  
15 registration as a Registered Certified Public Accountant from  
16 the Department upon payment of the required fee.

17 (c) Beginning with the 2006 renewal, the Department shall  
18 cease to issue a license as a Public Accountant. Any person  
19 holding a valid license as a Public Accountant prior to  
20 September 30, 2006 who meets the conditions for renewal of a  
21 license under this Act, shall be issued a license as a Licensed  
22 Certified Public Accountant under this Act and shall be subject  
23 to continued regulation by the Department under this Act. The  
24 Department may adopt rules to implement this Section.

25 (d) The Department shall not issue any new registrations as  
26 a Registered Certified Public Accountant after July 1, 2010.

1 After that date, any applicant for licensure under this Act  
2 shall apply for a license as a Licensed Certified Public  
3 Accountant and shall meet the requirements set forth in this  
4 Act. Any person issued a Certified Public Accountant  
5 certificate who has been issued a registration as a Registered  
6 Certified Public Accountant may renew the registration under  
7 the provisions of this Act and that person may continue to  
8 renew or restore the registration during his or her lifetime,  
9 subject only to the renewal or restoration requirements for the  
10 registration under this Act. Such registration shall be subject  
11 to the disciplinary provisions of this Act.

12 (e) On and after October 1, 2006, no person shall hold  
13 himself or herself out to the public in this State in any  
14 manner by using the title "certified public accountant" or use  
15 the abbreviation "C.P.A." or "CPA" or any words or letters to  
16 indicate that the person using the same is a certified public  
17 accountant unless he or she maintains a current registration or  
18 license issued by the Department or is exercising the practice  
19 privilege afforded under Section 5.2 of this Act. It shall be a  
20 violation of this Act for an individual to assume or use the  
21 title "certified public accountant" or use the abbreviation  
22 "C.P.A." or "CPA" or any words or letters to indicate that the  
23 person using the same is a certified public accountant in this  
24 State unless he or she maintains a current registration or  
25 license issued by the Department or is exercising the practice  
26 privilege afforded under Section 5.2 of this Act.

1 (Source: P.A. 93-683, eff. 7-2-04.)

2 (225 ILCS 450/5.2 new)

3 (Section scheduled to be repealed on January 1, 2014)

4 Sec. 5.2. Substantial equivalency.

5 (a) An individual whose principal place of business is not  
6 in this State shall have all the privileges of a person  
7 licensed under this Act as a licensed certified public  
8 accountant without the need to obtain a license or registration  
9 from the Department or to file notice with the Department, if  
10 the individual:

11 (1) holds a valid license as a certified public  
12 accountant issued by another state that the National  
13 Qualification Appraisal Service of the National  
14 Association of State Boards of Accountancy has verified to  
15 be in substantial equivalence with the CPA licensure  
16 requirements of the Uniform Accountancy Act of the American  
17 Institute of Certified Public Accountants and the National  
18 Association of State Boards of Accountancy; or

19 (2) holds a valid license as a certified public  
20 accountant issued by another state and obtains from the  
21 National Qualification Appraisal Service of the National  
22 Association of State Boards of Accountancy verification  
23 that the individual's CPA qualifications are substantially  
24 equivalent to the CPA licensure requirements of the Uniform  
25 Accountancy Act of the American Institute of Certified

1 Public Accountants and the National Association of State  
2 Boards of Accountancy; however, any individual who has  
3 passed the Uniform CPA Examination and holds a valid  
4 license issued by any other state prior to January 1, 2012  
5 shall be exempt from the education requirements of Section  
6 3 of this Act for the purposes of this item (2).

7 (b) Notwithstanding any other provision of law, an  
8 individual who offers or renders professional services under  
9 this Section, whether in person or by mail, telephone, or  
10 electronic means, shall be granted practice privileges in this  
11 State and no notice or other submission must be provided by any  
12 such individual.

13 (c) An individual licensee of another state who is  
14 exercising the privilege afforded under this Section and the  
15 CPA firm that employs such individual, if any, as a condition  
16 of the grant of this privilege, hereby simultaneously consents:

17 (1) to the personal and subject matter jurisdiction and  
18 disciplinary authority of the Department;

19 (2) to comply with this Act and the Department's rules  
20 adopted under this Act;

21 (3) that in the event that the license from the state  
22 of the individual's principal place of business is no  
23 longer valid, the individual shall cease offering or  
24 rendering professional services in this State individually  
25 or on behalf of a CPA firm; and

26 (4) to the appointment of the state board that issued

1       the individual's or the CPA firm's license as the agent  
2       upon which process may be served in any action or  
3       proceeding by the Department against the individual.

4       (d) An individual licensee who qualifies for practice  
5       privileges under this Section who, for any entity headquartered  
6       in this State, performs (i) a financial statement audit or  
7       other engagement in accordance with Statements on Auditing  
8       Standards; (ii) an examination of prospective financial  
9       information in accordance with Statements on Standards for  
10       Attestation Engagements; or (iii) an engagement in accordance  
11       with Public Company Accounting Oversight Board Auditing  
12       Standards may only do so through a firm licensed under this  
13       Act.

14  
15       (225 ILCS 450/9) (from Ch. 111, par. 5510)

16       (Section scheduled to be repealed on January 1, 2014)

17       Sec. 9. Unlicensed practice.

18       No person shall, ~~after the effective date of this~~  
19       ~~amendatory Act of the 93rd General Assembly, begin to practice~~  
20       ~~in this State or hold himself out as being able to practice~~  
21       ~~licensed certified public accounting in this State~~ or hold  
22       himself or herself out as being able to practice in this State  
23       as a licensed certified public accountant, unless he or she is  
24       licensed in accordance with the provisions of this Act or is  
25       exercising the practice privilege afforded under Section 5.2 of

1 this Act. Any person who is the holder of a license as a public  
2 accountant heretofore issued, under any prior Act licensing or  
3 registering public accountants in this State, valid on the  
4 effective date of this amendatory Act shall be deemed to be  
5 licensed under this Act shall be subject to the same rights and  
6 obligations as persons originally licensed under this Act.

7 ~~No person shall, after the effective date of this~~  
8 ~~amendatory Act of the 93rd General Assembly, begin to hold~~  
9 ~~himself or herself out as a registered certified public~~  
10 ~~accountant unless he or she is registered in accordance with~~  
11 ~~the provisions of this Act.~~

12 ~~On and after October 1, 2006, no person may use or~~  
13 ~~incorporate the title "certified public accountant" without~~  
14 ~~holding a license as a licensed certified public accountant or~~  
15 ~~registered certified public accountant under this Act.~~

16 (Source: P.A. 93-683, eff. 7-2-04.)

17 (225 ILCS 450/9.01)

18 (Section scheduled to be repealed on January 1, 2014)

19 Sec. 9.01. Unlicensed practice; violation; civil penalty.

20 (a) Any person or firm that practices, offers to practice,  
21 attempts to practice, or holds oneself out to practice as a  
22 licensed certified public accountant in this State without  
23 being licensed under this Act or qualifying for the practice  
24 privilege set forth in Section 5.2 of this Act shall, in  
25 addition to any other penalty provided by law, pay a civil

1 penalty to the Department in an amount not to exceed \$5,000 for  
2 each offense as determined by the Department. The civil penalty  
3 shall be assessed by the Department after a hearing is held in  
4 accordance with the provisions set forth in this Act regarding  
5 the provision of a hearing for the discipline of a licensee.

6 (b) The Department has the authority and power to  
7 investigate any and all unlicensed activity.

8 (c) The civil penalty shall be paid within 60 days after  
9 the effective date of the order imposing the civil penalty. The  
10 order shall constitute a judgment and may be filed and  
11 execution had thereon in the same manner as any judgment from  
12 any court of record.

13 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

14 (225 ILCS 450/9.02)

15 (Section scheduled to be repealed on January 1, 2014)

16 Sec. 9.02. Unauthorized use of title; violation; civil  
17 penalty.

18 (a) Any ~~On and after October 1, 2006, any~~ person who holds  
19 himself or herself out to the public as a certified public  
20 accountant in this State by using ~~shall assume~~ the title  
21 "certified public accountant" or ~~use~~ the abbreviation "CPA" or  
22 any words or letters to indicate that the person using the same  
23 is a certified public accountant without having been issued a  
24 registration ~~as a registered certified public accountant~~ or a  
25 license as a ~~licensed~~ certified public accountant under the

1 provisions of this Act or without qualifying for the practice  
2 privilege under Section 5.2 of this Act shall, in addition to  
3 any other penalty provided by law, pay a civil penalty to the  
4 Department in an amount not to exceed \$5,000 for each offense  
5 as determined by the Department. The civil penalty shall be  
6 assessed by the Department after a hearing is held in  
7 accordance with the provisions set forth in this Act regarding  
8 the provision of a hearing for the discipline of a licensee.

9 (b) The Department has the authority and power to  
10 investigate any and all alleged improper use of the certified  
11 public accountant title or CPA designation.

12 (c) The civil penalty shall be paid within 60 days after  
13 the effective date of the order imposing the civil penalty. The  
14 order shall constitute a judgment and may be filed and  
15 execution had thereon in the same manner as any judgment from  
16 any court of record.

17 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

18 (225 ILCS 450/13) (from Ch. 111, par. 5514)

19 (Section scheduled to be repealed on January 1, 2014)

20 Sec. 13. Application for licensure.

21 (a) A person, partnership, limited liability company, or  
22 corporation desiring to practice public accounting in this  
23 State shall make application to the Department for licensure as  
24 a licensed certified public accountant and shall pay the fee  
25 required by rule.

1 Applicants have 3 years from the date of application to  
2 complete the application process. If the process has not been  
3 completed in 3 years, the application shall be denied, the fee  
4 forfeited and the applicant must reapply and meet the  
5 requirements in effect at the time of reapplication.

6 (b) Any firm, whether organized as a partnership, limited  
7 liability company, corporation, or other entity, that (i) has  
8 an office in this State that uses the title "CPA" or "CPA  
9 firm"; (ii) has an office in this State that performs public  
10 accounting services, as defined in Section 8 of this Act; or  
11 (iii) does not have an office in this State, but performs  
12 attest services, as set forth in subsection (d) of Section 5.2  
13 of this Act, for a client that has its home office in this  
14 State must hold a license issued under this Act.

15 (c) A firm that does not have an office in this State may  
16 perform a review of a financial statement in accordance with  
17 the Statements on Standards for Accounting and Review Services  
18 for a client with its home office in this State and may use the  
19 title "CPA" or "CPA firm" without obtaining a license under  
20 this Act, only if the firm (i) performs such services through  
21 individuals with practice privileges under Section 5.2 of this  
22 Act; (ii) satisfies any peer review requirements in those  
23 states in which the individuals with practice privileges under  
24 Section 5.2 have their principal place of business; and (iii)  
25 meets the qualifications set forth in item (2) of subsection  
26 (b) of Section 14 of this Act.

1       (d) A firm that is not subject to the requirements of  
2       subsection (b) or (c) of this Section may perform professional  
3       services that are not regulated under subsection (b) or (c) of  
4       this Section while using the title "CPA" or "CPA firm" in this  
5       State without obtaining a license under this Act if the firm  
6       (i) performs such services through individuals with practice  
7       privileges under Section 5.2 of this Act and (ii) may lawfully  
8       perform such services in the state where those individuals with  
9       practice privileges under Section 5.2 of this Act have their  
10       principal place of business.

11       (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

12               (225 ILCS 450/14) (from Ch. 111, par. 5515)

13               (Section scheduled to be repealed on January 1, 2014)

14               Sec. 14. Qualifications. The Department may license as  
15       licensed certified public accountants the following:

16               (a) All persons who have received certificates as certified  
17       public accountants from the Board or who hereafter receive  
18       registrations as registered certified public accountants from  
19       the Department who have had at least one year of full-time  
20       experience, or its equivalent, providing any type of service or  
21       advice involving the use of accounting, attest, management  
22       advisory, financial advisory, tax, or consulting skills, which  
23       may be gained through employment in government, industry,  
24       academia, or public practice.

25               If the applicant's certificate as a certified public

1 accountant from the Board or the applicant's registration as a  
2 registered certified public accountant from the Department was  
3 issued more than 4 years prior to the application for a license  
4 under this Section, the applicant shall submit any evidence the  
5 Department may require showing the applicant has completed not  
6 less than 90 hours of continuing professional education  
7 acceptable to the Department within the 3 years immediately  
8 preceding the date of application.

9 (b) All partnerships, limited liability companies, or  
10 corporations, or other entities engaged in the practice of  
11 public accounting in this State and meeting the following  
12 requirements:

13 (1) (Blank).

14 (2) A majority of the ownership of the firm, in terms  
15 of financial interests and voting rights of all partners,  
16 officers, shareholders, members, or managers, belongs to  
17 persons licensed in some state, and the partners, officers,  
18 shareholders, members, or managers whose principal place  
19 of business is in this State and who practice public  
20 accounting in this State, as defined in Section 8 of this  
21 Act, hold a valid license issued by this State. An  
22 individual exercising the practice privilege afforded  
23 under Section 5.2 who performs services for which a firm  
24 license is required under subsection (d) of Section 5.2  
25 shall not be required to obtain an individual license under  
26 this Act.

1           (3) It shall be lawful for a nonprofit cooperative  
2           association engaged in rendering an auditing and  
3           accounting service to its members only, to continue to  
4           render that service provided that the rendering of auditing  
5           and accounting service by the cooperative association  
6           shall at all times be under the control and supervision of  
7           licensed certified public accountants.

8           (4) The Department may adopt rules and regulations as  
9           necessary to provide for the practice of public accounting  
10          by business entities that may be otherwise authorized by  
11          law to conduct business in Illinois.

12         (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

13           (225 ILCS 450/14.3)

14           (Section scheduled to be repealed on January 1, 2014)

15          Sec. 14.3. Additional requirements for firms. In addition  
16          to the ownership requirements set forth in subsection (b) of  
17          Section 14, all firms licensed under this Act shall meet the  
18          following requirements:

19           (a) All owners of the firm, whether licensed or not, shall  
20          be active participants in the firm or its affiliated entities.

21           (b) An individual who supervises services for which a  
22          license is required under Section 8 of this Act, ~~or~~ who signs  
23          or authorizes another to sign any report for which a license is  
24          required under Section 8 of this Act, or who supervises  
25          services for which a firm license is required under subsection

1 (d) of Section 5.2 of this Act shall hold a valid, active  
2 Licensed Certified Public Accountant license from this State or  
3 another state and shall comply with such additional experience  
4 requirements as may be required by rule of the Department  
5 Board.

6 (c) The firm shall require that all owners of the firm,  
7 whether or not certified or licensed under this Act, comply  
8 with rules promulgated under this Act.

9 (d) The firm shall designate to the Department in writing  
10 an individual licensed under this Act or, in the case of a firm  
11 that must have a license pursuant to subsection (b) of Section  
12 13 of this Act, a licensee of another state who meets the  
13 requirements set out in item (1) or (2) of subsection (a) of  
14 Section 5.2 of this Act, who shall be responsible for the  
15 proper registration of the firm.

16 (e) Applicants have 3 years from the date of application to  
17 complete the application process. If the process has not been  
18 completed in 3 years, the application shall be denied, the fee  
19 shall be forfeited, and the applicant must reapply and meet the  
20 requirements in effect at the time of reapplication.

21 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

22 (225 ILCS 450/30.2) (from Ch. 111, par. 5535.2)

23 (Section scheduled to be repealed on January 1, 2014)

24 Sec. 30.2. Contributory fault. Except in causes of action  
25 based on actual fraud or intentional misrepresentation, the the

1 principles of liability set forth in Sections 2-1115.05,  
2 2-1116, and 2-1117 of the Code of Civil Procedure shall apply  
3 to all claims for civil damages brought against any person,  
4 partnership, corporation, or any other entity certified,  
5 licensed, or practicing under this Act, or any of its  
6 employees, partners, members, officers, or shareholders that  
7 are alleged to result from acts, omissions, decisions, or other  
8 conduct in connection with professional services.

9 This Section applies to causes of action accruing on or  
10 after the effective date of this amendatory Act of 1992. This  
11 amendatory Act of 1995 applies to causes of action accruing on  
12 or after its effective date.

13 (Source: P.A. 89-380, eff. 8-18-95.)

14 (225 ILCS 450/9.1 rep.)

15 Section 10. The Illinois Public Accounting Act is amended  
16 by repealing Section 9.1.

17 Section 97. Severability. The provisions of this Act are  
18 severable under Section 1.31 of the Statute on Statutes.

19 Section 99. Effective date. This Act takes effect January  
20 1, 2008.